

General Information Letter: Exempt organizations are taxed by Illinois only on unrelated business taxable income.

January 27, 1999

Dear:

This is in response to your recent letter in which you request information concerning the filing requirements for not-for-profit organizations. Department of Revenue ("Department") regulations require that the Department issue only two types of letter rulings, Private Letter Rulings ("PLRs") and General Information Letters ("GILs"). PLRs are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. GILs do not constitute statements of agency policy that apply, interpret or prescribe the tax laws and are not binding on the Department.

Although you have not specifically requested either type of ruling, the nature of your question and the information provided require that we respond only with a GIL.

In your letter you stated:

We are a recently formed not-for-profit organization. We have received a Federal income tax exemption and, now, are applying for an Illinois State income tax exemption. Please find enclosed the following required documents. [numerous documents enclosed]

#### Discussion

Please note that for Illinois income tax purposes an organization having the status of not-for-profit at the federal level will be considered as a not-for-profit organization under the Illinois Income Tax Act ("IITA"). I have enclosed an IL990T which is the correct form for exempt filers. I am further forwarding this letter to the sales tax division for their comments. You should receive a separate reply from them fairly soon.

I hope that this has been helpful to you. If you have additional questions please feel free to contact me at the above address.

Very Truly Yours,

Charles Matoesian  
Staff Attorney